

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7874

BILL NUMBER: HB 1604

DATE PREPARED: Jan 9, 2001

BILL AMENDED:

SUBJECT: Tobacco Product Enforcement.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: This bill removes the requirement that specified amounts of the money in the Youth Tobacco Education and Enforcement Fund be used for specified purposes. The bill amends the definition of "distribute" for purposes of the youth tobacco laws. The bill allows the Indiana alcoholic beverage commission to retain an attorney to collect civil penalties relating to the sale, distribution, and possession of tobacco products by minors that have been assessed but that have not been paid. The bill allows the Indiana Alcoholic Beverage Commission to provide alternative words for notices that are required to be posted on vending machines and retail establishments that sell tobacco.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The bill changes the definition of "distribute" for the purposes of youth tobacco laws which may increase offenses for the sale and distribution of tobacco to individuals under 18 years of age (a Class C infraction).

The bill also allows the Indiana Alcoholic Beverage Commission to retain an attorney to collect civil penalties relating to the sale, distribution, and possession of tobacco products by minors that have been assessed but that have not been paid. These costs should not add to state expenditures since the Commission is also allowed to collect costs and reasonable attorney's fees.

This bill also removes the requirement that specified amounts of the money in the Youth Tobacco Education and Enforcement Fund be used for specified purposes.

Explanation of State Revenues: *Penalty Provision:* If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the

state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Alcoholic Beverage Commission.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: